

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

MDL No. 3076
CASE NO. 1:23-md-03076-KMM

IN RE:

FTX Cryptocurrency Exchange Collapse Litigation

THIS DOCUMENT RELATES TO ALL ACTIONS

JOINT MOTION TO EXTEND STAY AS TO DEFENDANT KEVIN PAFFRATH
PENDING APPROVAL OF SETTLEMENT AGREEMENT

Plaintiffs, and Defendant Kevin Paffrath (collectively, the “Settling Parties”), through undersigned counsel, jointly move to extend the stay previously entered by Judge Altonaga pending approval of settlement, and state:

1. On June 1, 2023, in the case styled *Garrison, et. al. v. Paffrath, et. al.*, Case No.: 23-21023-Civ Altonaga/Damian (the “*Paffrath* Class Action”) the Settling Parties filed a Joint Motion for Stay Pending Approval of Settlement Agreement and Notice of Settlement (the “Motion”) providing notice to the Court that the parties had executed a Term Sheet which provided for a full settlement of the claims Plaintiff asserted against Defendant Paffrath the Paffrath Class Action. *See Paffrath* Class Action, ECF No. 111. The Motion requested a stay of the claims asserted against Defendant Paffrath for thirty (30) days while the parties prepared and executed a formal settlement agreement. *Id.*

2. The Motion noted that after execution of the formal settlement agreement, the Plaintiffs would present it to the Court and seek preliminary approval of the Class Action Settlement, including the plan of notice to the settlement class, pursuant to Rule 23 of the Federal Rules of Civil Procedure. *Id.*

3. On June 1, 2023, the Court entered an Order staying the claims against Defendant Paffrath until July 1, 2023. *See Paffrath Class Action*, ECF No. 112.

4. Subsequently, the *Paffrath Class Action* was transferred to this MDL action.

5. The process of transferring this case delayed the drafting and execution of a formal settlement counsel as leadership counsel for the Plaintiffs in this matter had to be appointed by this Court. The Court appointed Plaintiffs' leadership on June 21, 2023. *See* ECF No. 61 (adopting Plaintiffs' Proposed Leadership Structure, filed at ECF No. 59-1).

6. Now that leadership has been appointed by the Court, the Plaintiffs and Mr. Paffrath intend to complete and execute a formal settlement agreement and for counsel for the Plaintiffs need time thereafter to prepare a Motion for Preliminary Approval of the Class Action Settlement Agreement.¹

7. Upon approval of the settlement agreement all claims against Defendant Paffrath will be dismissed with prejudice.

8. This Court has the authority to stay proceedings to manage its docket, based upon the circumstances of a particular case, especially where the parties have reached a settlement of the matter. *See, e.g., Landis v. North Am. Water Works & Elec. Co.*, 299 U.S. 248, 254 (1936); *Republic of Venezuela v. Philip Morris Cos., Inc.*, No. 99-0586-Civ, 1999 WL 33911677, at *1 (S.D. Fla. Apr. 28, 1999); *see also, e.g., Arkin v. Smith Med. Partners, LLC*, No. 8:19-cv-1723-T-26AEP, 2020 WL 1666158, at *2-*3 (M.D. Fla. April 3, 2020) (staying class action litigation pending court's evaluation of proposed settlement to "avoid duplicative discovery efforts and related, overlapping issues" and to "allow the parties—and the Court—to focus on the propriety of the Motion for Preliminary Approval").

¹ In addition, Settlement negotiations are ongoing as to other Defendants, which may result in additional agreements and executed Term Sheets.

9. Accordingly, the Settlement Parties respectfully request that the Court briefly stay all claims against Defendant Paffrath for a period of 30 days. On or before the conclusion of the 30 day stay, Plaintiffs will either file a Class Action Settlement Agreement with a Motion for Preliminary Approval of the Class Action Settlement Agreement, or a Status Report that may seek additional time to complete the settlement.

WHEREFORE, the Settling Parties respectfully request the Court to enter an Order staying granting the relief requested herein. A proposed Order is attached to this Joint Motion and a copy will be submitted to the Court's Chambers, pursuant to the Court's Internal Operating Procedures.

DATED: July 7, 2023

Respectfully submitted,

By: /s/ Adam Moskowitz

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